

**STATEMENT OF
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UNDER SECRETARY FOR HEALTH
VETERANS HEALTH ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON HEALTH
COMMITTEE ON VETERANS' AFFAIRS
U. S. HOUSE OF REPRESENTATIVES**

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Mr. Chairman and Members of the Subcommittee:

The Department of Veterans Affairs (VA) provides mental health services for veterans across a continuum of care, from intensive inpatient mental health units for acutely ill persons to residential care settings, outpatient clinics, Day Hospital and Day Treatment programs, and intensive community care management programs. VA views mental health as an essential component of overall health and offers comprehensive mental health services, including programs for substance abuse, as part of its basic benefits package.

In FY 2000, the Veterans Health Administration (VHA) treated 678,932 unique veterans in a comprehensive array of mental health programs. This represents a 1.1 percent increase from the previous year. Only 11.2 percent of these patients required an inpatient stay, demonstrating VA's emphasis on providing care in the least restrictive, most accessible way that meets patients' needs. The clinical care costs for these services was \$1,659,709,000. For FY 2001, it is estimated that VA will treat 687,000 unique patients at a cost of more than \$1,735,000,000.

This statement describes VA's mental health clinical services, education and research initiatives, program monitoring efforts, and special programs for homeless veterans.

Clinical Care Services

Treatment for mental disorders in VA rests essentially on two main approaches, pharmacotherapy and psychosocial rehabilitation (including psychotherapy). It is our practice to provide the latest medications for mental disorders to veterans who need these drugs and to prescribe them in accordance with the latest medical evidence. VA's formulary for psychotropic medications is one of the most open in organized health care. It includes virtually all the newer atypical antipsychotic and anti-depressant drugs.

In virtually every instance, medications alone are not enough to bring patients with serious mental disorders to their optimal level of functioning and well being. The application of psychosocial rehabilitation techniques, designed to optimize patients' strengths and correct behavioral deficits are essential. These interventions include patient and family education, cognitive and behavioral training, working and living skills training, and intensive case management. Treatment settings are both inpatient and outpatient settings and can include supervised living arrangements in the community.

VA's clinical services are increasingly being structured to accommodate mental health participation in medical and geriatric primary care teams and medical capabilities in mental health primary care teams. An informal survey has identified over 30 VA facilities with mental health primary care teams. In FY 2000, a multidisciplinary task force of mental health, primary care, and geriatric clinicians identified examples of program criteria and best practices in mental health, primary care, and geriatric integration. Twelve sites were identified as best practice models based on criteria that included patient clinical improvement, prevention, screening activities, and patient satisfaction. Innovative uses of technology such as tele-mental health are also being implemented to enhance mental health services to distant sites (e.g., CBOCs) and provide psychiatry support to Veterans Outreach Centers. By disseminating information about best practices across the system, program development will be encouraged, and higher quality, more cost-efficient care will be delivered to VA patients. Also, FY 2001 strategic plans for several Networks include plans for expansion of mental health capabilities in new or existing CBOCs.

Mental Health Special Emphasis Programs

VA has identified several particular target populations and has developed special emphasis programs designed to serve those populations. They include veterans with serious mental illness (e.g., those suffering from schizophrenia); the homeless veterans with mental illness; veterans suffering from Post-traumatic Stress Disorder (PTSD); and those with substance abuse problems. A significant percentage of all veterans receiving mental health services are seen in the following special emphasis programs.

Serious Mental Illness

Preliminary data prepared for the FY 2000 Capacity Report on seriously mentally ill (SMI) veterans identify \$1.9 billion spent treating 290,819 SMI veterans at a cost of \$6,551 per veteran. Since 1996, the number of SMI veterans seen has increased by eight percent while the cost has decreased by eight percent, primarily reflecting decreased hospital days of care.

Since 1996, the average length of stay for general inpatient psychiatry decreased from 29.9 to 16.7 days nationally, and the average number of days of

hospitalization within 6 months after discharge (reflecting readmissions) dropped from 12.4 to 6.8. The percent of discharged patients receiving outpatient care within 30 days of their discharge has increased from 50 percent in FY 1996 to 60 percent in FY 2000. These indicators suggest more effective hospital treatment and aftercare. A 33 percent decrease in the number of general psychiatric patients hospitalized since FY 1996 was accompanied by a 22 percent increase in general psychiatric patients receiving specialized mental health outpatient care, resulting in a net increase of 22.5 percent of individual veterans treated in specialty mental health. These data suggest an effective move from inpatient to community-based mental health treatment nationwide.

VA has committed itself to expanding state-of-the-art treatments of serious mental illness, using the Assertive Community Treatment (ACT) model. VA now operates one of the largest networks of ACT-like programs in the country, the Mental Health Intensive Care Management (MHICM) program. As of June 2001, VA has 54 active MHICM programs with another 10-12 in various stages of development. All VISNs have submitted plans for expansion of MHICM teams, which are under review.

Another aspect of VA's care for the seriously mentally ill is our commitment to using state-of-the-art medications, which result in improved clinical outcomes, decreased incidence of side effects, and increased compliance with prescribed medications. Patient functioning and patient satisfaction are increased. In the last quarter of FY 1999, two-thirds of all new prescriptions were for the new generation of atypical antipsychotic medications such as olanzapine, clozapine, and risperidone.

Homeless Veterans

VA operates the largest national network of homeless outreach programs. VA expects to spend \$142.2 million on specialized programs for homeless veterans this year and is projecting a budget of \$148.1 million for these programs in FY 2002. In FY 2000, VA initiated outreach contact with 43,082 veterans. VA's Health Care for Homeless Veterans (HCHV) program incorporates:

- outreach to serve severely mentally ill veterans who are not currently patients at VA health care facilities;
- linkage with services such as VA mental health and medical care programs, contracted residential treatment in community-based halfway houses, and supported housing arrangements in transitional or permanent apartments; and
- treatment and rehabilitation provided directly by program staff.

These activities serve not only to help homeless veterans; they play a role in de-stigmatizing mental illness in the homeless population. Attachment A to this statement further describes VA's homeless programs.

Secretary Principi recently announced his decision to establish a VA Advisory Council on Homelessness Among Veterans with the mission of providing advice and making recommendations on the nature and scope of programs and services within VA. This Committee will greatly assist VA in improving the effectiveness of our programs and will allow a strong voice to be heard within the Department from those who work closely with us in providing service to these veterans.

Post-Traumatic Stress Disorder

VA operates an internationally recognized network of 140 specialized programs for the treatment of PTSD through its medical centers and clinics. In addition, 11 new specialized programs were funded from the Veterans Millennium Health Care and Benefits Act and will become fully operational in FY 2001. In FY 2000, VA Specialized Outpatient PTSD Programs (SOPPs) saw 53,192 veterans, an increase of 5.4 percent over the previous year. Of these, the number of new veterans seen was 22,607. For SOPPs, the outcome of continuity of care was consistent between FY 1999 and 2000.

Specialized Inpatient and Residential PTSD Programs had 5,106 admissions in FY 2000. Overall inpatient PTSD care is declining while the alternative, residential care, is increasing. Outcomes for Specialized Outpatient PTSD programs (e.g., Continuity of care) and for Specialized Inpatient PTSD Programs (e.g., PTSD symptoms at four months post discharge) have been maintained or improved in FY 2000.

These specialized Mental Health PTSD programs act in collaboration with VA's 206 Readjustment Counseling Service Veterans Outreach Centers. These community-based operations are staffed by a corps of mental health professionals, most of whom have seen active military service, including combat.

Substance Abuse

In FY 2000, 366,429 VA patients had a substance abuse diagnosis. Of these 131,890 were seen in specialized substance abuse treatment programs. The numbers of veterans receiving care for substance abuse disorders as inpatients is decreasing, as part of the shift to outpatient care. Studies show that residential and outpatient substance abuse treatment can be as effective as inpatient services. To accommodate this shift, services are increasingly being developed on a residential and outpatient basis. From FY 1999 to 2000, VA saw a decrease of 7.8 percent in the number of veterans treated in its in-house

specialized substance abuse programs. At the same time, a number of networks instituted contracts for residential substance abuse treatment services. Consequently, VA has begun a process to determine where these veterans are now being treated and the adequacy of that treatment.

Maintaining Capacity (Public Law 104-262)

Public Law 104-262, the “Veterans Eligibility Reform Act of 1996,” requires VA to maintain its capacity to meet the specialized treatment and rehabilitative needs of certain disabled veterans whose needs can be uniquely met by VA. Mental health encompasses two of the designated populations: severely, chronically mentally ill (SMI) veterans and veterans suffering from post-traumatic stress disorder (PTSD). As part of its monitoring of the capacity of SMI programs, VA tracks its capacity for treating homeless mentally ill veterans and veterans with substance abuse disorders.

From FY 1996 to FY 2000, VA has maintained or increased capacity to treat veterans in both the SMI and PTSD categories in terms of patients served. Although overall capacity has increased, there has been a decrease in the number of veterans with substance abuse served in specialized programs by the system as a whole, from 107,074 in FY 1996 to 94,603 in FY 2000. In addition to this apparent loss of treatment capacity for substance abuse, there are also system-wide variations in the capacity to provide specialized treatment services to veterans for the other categories as well as in substance abuse. VHA is currently conducting a detailed review of specialized mental health treatment programs, to determine if the apparent loss of substance abuse treatment capacity is due to counting errors or to actual loss of services. This review will also address the quality of care provided to patients with the target diagnoses (e.g., PTSD, Substance Abuse Disorders) both within specialized VHA treatment programs and outside of these programs. We expect the results of this review to be reported in April 2002.

Program Monitoring

To track its progress and enhance its performance in mental health services, VA has one of the most sophisticated mental health performance monitoring systems in the nation. To monitor the care provided to over 670,000 veterans per year, VA uses measures of performance, quality, satisfaction, cost, and outcomes. The results published annually in VA’s National Mental Health Performance Monitoring System report indicate that care is improving. Lengths of inpatient stay are decreasing as are readmission rates and days hospitalized after discharge. Outpatient visits after discharge are increasing, as is continuity of outpatient care. However, development work is continuing to improve the outcome measures for mental health care.

The Seriously Mentally Ill Treatment Research and Evaluation Center (SMITREC) has created a Psychosis Registry, a listing of all veterans hospitalized for a psychotic disorder since 1988. This registry tracks the health care utilization and outcomes of these veterans over time. Over 70 percent of these veterans are still in VA care.

To support its mental health programs and to ensure acquisition of the most current knowledge and dissemination of best practices, VA has undertaken a number of activities. These include development of practice guidelines, educational programs, and partnering with other organizations involved in mental health services.

VHA has also published up-to-date, evidence-based practice guidelines for major depressive disorders, psychoses, PTSD, and substance use disorders. The International Society for Traumatic Stress Studies used VA's PTSD guidelines as a start for their guideline development. Recently, the major depression guidelines have been revised in collaboration with the Department of Defense (FY 2001). A new "stand-alone" Substance Abuse guideline created with DOD is in final stages of development, and the Psychoses Guidelines are also being updated. Automated clinical reminders are in development to assist clinicians in following the practice guidelines and document and track compliance and outcomes.

As was previously announced, VHA will soon begin a new quality improvement program - the National Mental Health Improvement Program (NMHIP). This program will be modeled after a number of VA's well-established, data-driven improvement programs, such as the Continuous Improvement in Cardiac Surgery Program (CICSP), the National Surgical Quality Improvement Program (NSQIP), the VA Diabetes Program, the Pharmacy Benefits Management Program (PBM), and the Spinal Cord Injury/Dysfunction National Program. The NMHIP will use validated data collection, expert analysis, and active intervention by an oversight team to continuously improve the access, outcomes, and function of patients in need of our mental health programs. It will draw upon existing resources in VHA's Health Services Research and Development Service, including existing initiatives in the Quality Enhancement Research Initiative (QUERI), the Northeast Program Evaluation Center (NEPEC), and the Mental Illness Research, Education and Clinical Centers (MIRECCs).

Education

VA has been a leader in the training of health care professionals since the end of World War II. More than 1,300 trainees in psychiatry, psychology, social work, and nursing receive all or part of their clinical education in VA each year. Recently, VA has developed an innovative Psychiatry Resident Primary Care Education program with involvement of over thirty facilities and their affiliates, representing approximately 11 percent of VA's more than 700 psychiatry

residents who receive training in VA facilities each year. In addition, 100 psychology and psychiatry trainees are involved in the highly successful Primary Care Education (PRIME) initiative, which provides mental health training within a primary care setting. This type of activity is changing how VA is training mental health providers and preparing them to meet the primary care needs of mentally ill patients. It serves and improves the mental health of veterans seen in medical and geriatric primary care in both VA and the nation.

VA's educational efforts involve both traditional programs and innovative distance learning techniques. Face-to-face workshops serve a useful purpose for certain kinds of demonstrations (e.g., Prevention and Management of Disturbed Behavior Training) and for networking (e.g., the 2001 "Impact of Mental Health on Medical Illness in the Primary Care Setting and the Aging Veteran" MIRECC/GRECC conference). Distance learning such as satellite broadcasts, Internet training, and teleconferencing, offer accessible, cost-effective training.

Research

VA's National Center for PTSD, established in 1989, is a leader in research on PTSD. Its work spans the neurobiological, psychological and physiological aspects of this disorder. Women's sexual trauma and mental health aspects of disaster management are also addressed by the National Center, which has become an international resource on psychological trauma issues.

VA's Mental Illness Research, Education and Clinical Centers (MIRECCs), which began in October 1997, bring together research, education, and clinical care to provide advanced scientific knowledge on evaluation and treatment of mental illness. The MIRECCs demonstrate that the coordination of research with training health care professionals in an environment that provides care and values results in improved models of clinical services for individuals suffering from mental illness. Furthermore, they generate new knowledge about the causes and treatments of mental disorders. VA currently has eight MIRECCs located across the country, from New England to Southern California.

Mental health currently has three projects in the VHA QUERI program. These include the Substance Abuse QUERI project, associated with the PERC, the Major Depression QUERI associated with the VISN 16 MIRECC, and the Schizophrenia QUERI associated with the VISN 22 MIRECC. The goal of QUERI is to promote the translation of research findings into practice and observe their impact on quality of care.

VHA has established an interagency Memorandum of Agreement (MOA) with the Substance Abuse and Mental Health Services Administration (SAMHSA) and Bureau of Primary Health Care (BPHC) of the Health Resources and Services Administration (HRSA). This MOA will support a cross-cutting initiative

to determine if there are statistically significant differences over a full range of access, clinical, functional, and cost variables between primary care clinics that refer elderly patients to specialty mental health or substance abuse services (MH/SA) outside the primary care setting and those that provide such services in an integrated fashion within the primary care setting. It will also address improving the knowledge base of primary health care providers to recognize MH/SA problems in older adults.

VA is also a partner with the National Institutes of Mental Health and the Department of Defense (DOD) in the National Collaborative Study of Early psychosis and Suicide (NCSEPs). This ongoing project is designed to better understand the clinical and administrative issues of service members who suffer from psychotic disorders during military service, their course of care, and the transition from DOD to VA care in such a manner that continuity of care is maintained.

In FY 2000, VA Research Service funded 397 mental health projects at a cost of \$53,884,518. Attachment B, "Research Highlights," provides further information about selected research projects.

Conclusion

VA Mental Health programs provide a comprehensive array of clinical, educational and research activities to serve America's veterans. Our clinical programs are designed to provide the highest quality, most cost-efficient care, across a continuum of care designed to meet the complex and changing needs of our patients. Our educational programs train a significant proportion of our nation's future mental health care providers and ensure that our employees remain on the cutting edge of knowledge about the best clinical practices using traditional as well as innovative educational approaches. Our mental health research programs encompass both basic science as well as the essential translation of scientific findings into clinical practice. The Mental Illness Research Education and Clinical Centers (MIRECCs) are excellent examples of the creative fusion of all three of these tasks. Perhaps the most exciting aspect of VA's mental health programs as we look to the future lies with the National Mental Health Improvement Program (NMHIP). Dedicated to the development of performance and outcome measures and their implementation through research, education, and monitoring, NMHIP will ensure that VA becomes a national leader in the development of evidence-based care for the continuing benefit of our veteran patients. Our mental health care system is strong and effective, but no system is perfect. The NMHIP concept symbolizes VA's ongoing commitment to continuing improvement in the delivery of comprehensive, high quality clinical services to those veterans who need our care.

Mr. Chairman, while we truly believe that VA Mental Health Services remain strong and effective, no system is without problems. It is imperative that

access to mental health services and best clinical practices be provided in a uniform manner across the VA health care system. To the extent that there are unacceptable levels of variance in these parameters, corrections must and will be made. If additional resources are required to provide needed care, whether by virtue of shifts of populations or unmet care needs, then a plan to provide these resources will be developed. We have a lot of questions to answer. For example: Have we gone too far in reducing inpatient care services for these patients who need them or neglected to establish sufficient residential care for patients who need that level of care? Where do we need to place more opiate substitution services? What kind of mental health capacities do even the smallest of CBOCs need, and what is the best and most effective way to provide them? We will answer these and other questions. Although we anticipate that much of the data gathering, practice monitoring, and staff education that will be involved in making these changes will be enhanced by technology, we must assure that clinicians, at the point of service, have adequate and timely access to these technologies so they can actually use them to benefit patients. This may require allocating additional resources within VHA for this purpose. It should be noted, however, that technology issues impact not only mental health care, but all VA health care.

Mr. Chairman, I will now be happy to answer any questions that you or other members of the Subcommittee may have.

Homeless Veterans Treatment and Assistance Programs

VA has developed a wide range of programs and services to address homeless veterans needs. These programs operate in partnership with community-based organizations and service providers and other federally funded programs. With the additional funding made available in the FY 2000 budget we have significantly expanded our homeless programs this year and we have initiated new program evaluation efforts as required by the Millennium Act. While many special programs have been designed to address the special needs of homeless veterans, they do not function in isolation. These programs are integrated with other VA healthcare and benefits services. In addition, VA relies heavily on its federal, state and community based partners to assure a full range of services for homeless veterans.

Secretary Principi recently announced his decision to establish a VA Advisory Council on Homelessness Among Veterans with the mission of providing advice and making recommendations on the nature and scope of programs and services within VA. The advisory committee will consist of not more than 15 members, including a Chairperson. Committee member appointments will be made from knowledgeable VA- and non-VA experts, and will include representatives from community service providers with qualifications and competence to deal effectively with care and treatment services for homeless veterans. The overall makeup of the membership will ensure that perspectives on health, benefits, education and training, and housing for homeless veterans are addressed. Close attention will be given to equitable geographic distribution and to ethnic and gender representation.

The Council is expected to meet two to four times annually. This committee will greatly assist VA in improving the effectiveness of our programs and will allow a strong voice to be heard within the Department from those who work closely with us in providing service to these veterans. We hope to have the Advisory Council members selected and the Council ready to function by the end of July.

Homeless Veteran Population

In 1996 the Federal Interagency Council on the Homeless (ICH) designed and the Census Bureau conducted the "National Survey of Homeless Assistance Providers and Clients." The survey was conducted in the 28 largest metropolitan areas, 24 randomly selected small and medium sized areas and 24 randomly selected groups of rural counties. Approximately 12,000 service providers were contacted and 4,200 consumers of homeless services were interviewed. Survey findings and a technical report written by the Urban Institute were released in December 1999. Survey findings related to homeless veterans were as follows:

- 33 percent of homeless males are veterans;
- 33 percent of homeless veterans report being stationed in a war zone;
- 28 percent of homeless veterans report being exposed to combat;
- 67 percent of homeless veterans reported serving 3 or more years in the military;

- 32 percent of veterans compared to 17 percent of non-veterans reported that their last episode of homelessness lasted more than 13 months; and
- 57 percent of homeless veterans reported using VA health care services at least once.

The Urban Institute issued a press release in February 2000, estimating that between 2.3 million to 3.5 million Americans may have experienced an episode of homelessness during 1996. Extrapolation from this estimate would suggest that between 322,000 – 491,000 veterans might have experienced homelessness during that time period.

Homeless Veterans Served by VA

In FY 2000, staff in VA's Health Care for Homeless Veterans (HCHV) Program had contacts with over 43,000 homeless veterans. Approximately 32,000 homeless veterans were given formal intake assessments to determine their clinical, housing and income status. Data from these intake assessments provides VA with detailed information about the demographic and clinical characteristics of the homeless veterans served by VA. We would like to share some of these findings with you today:

- Approximately 97 percent of homeless veterans contacted by program staff are men and 3 percent are women.
- The mean age of these veterans was 47.
- Approximately 49 percent of the veterans served in the military during the Viet Nam Era while nearly 5 percent served during the Persian Gulf era.
- Approximately 47 percent of these veterans were African Americans and 6 percent were Hispanic.
- 60 percent of homeless veterans report part-time, irregular employment or no employment during the past 3 years; 72 percent of homeless veterans report not having worked at all during the 30 days prior to the intake assessment.
- 68 percent of homeless veterans reported living in emergency shelters or outdoors at the time of the intake assessment.
- 82 percent of homeless veterans were determined by HCHV clinicians to have a serious psychiatric or substance abuse problem -
 - 44 percent had a serious psychiatric problem,
 - 69 percent were dependent on alcohol and/or drugs,
 - 32 percent were dually diagnosed with psychiatric and substance abuse disorders.

Programs and Services Provided by VA

VA is the only federal agency that provides substantial hands-on assistance directly to homeless persons. Although limited to veterans, VA's major homeless programs constitute the largest integrated network of homeless assistance programs in the country, offering a wide array of services and initiatives to help veterans recover from homelessness and live as self-sufficiently and independently as possible.

VA, using its resources or in partnerships with others, has helped to secure more than 10,000 transitional and permanent beds for homeless veterans throughout the nation. These include:

- beds in VA's Domiciliary Care for Homeless Veterans (DCHV) program;
- beds in VA's Compensated Work Therapy/Transitional Residence (CWT/TR) program;
- beds supported through contracts under the Health Care for Homeless Veterans (HCHV) program;
- the VA Supported Housing (VASH) program;
- the joint HUD-VA Supported Housing (HUD-VASH) program; and
- the Homeless Providers Grant and Per Diem Program.

With the new Loan Guarantee for Multifamily Transitional Housing for Homeless Veterans Program and additional grant awards under the Grant and Per Diem Program, VA expects to help community service providers develop approximately 6,000 more transitional beds for homeless veterans over the next 4 years.

In addition to these special initiatives, VA provides a wide range of services to homeless veterans through its mainstream health care and benefit assistance programs. To increase this assistance, VA has initiated outreach efforts to connect more homeless veterans to both mainstream and homeless-specific VA programs and benefits. These programs strive to offer a continuum of services including:

- aggressive outreach to veterans living on streets and in shelters who otherwise would not seek assistance;
- clinical assessment and referral to needed medical treatment for physical and psychiatric disorders including substance abuse;
- long-term sheltered transitional assistance, case management and rehabilitation;
- linkage and referrals for employment assistance, linkage with available income supports; and assistance in obtaining housing.

Homeless Veterans-Specific Programs

VA's FY 2000 budget increased funding for specialized services for homeless veterans by \$50 million. Of this increase, \$39.6 million was included in the medical care appropriation and the remainder is available to guarantee loans made under the Multifamily Transitional Housing for Homeless Veterans Program. VA expects to spend \$142.2 million on specialized programs for homeless veterans this year and is projecting a budget of \$148.1 million for these programs in FY 2002. The following provides an overview of the types of programs VA has developed to meet the multiple and varied needs of homeless veterans:

VA's Health Care for Homeless Veterans Program (HCHV) operates at 127 sites where extensive outreach, physical and psychiatric health exams, treatment, referrals, and ongoing case management are provided to homeless veterans with mental health problems, including substance abuse. As appropriate, the HCHV program places homeless veterans needing longer-term treatment into one of its 250 contract community-

based facilities. During the last reporting year, this program assessed more than 32,000 veterans, with 4,800 receiving residential treatment in community-based treatment facilities. The average length of stay in community-based residential care is about 60 days and the average cost per day is approximately \$38.00. VA committed \$18.8 million to the expansion of the HCHV program in FY 2000 and funds were distributed in mid year. This included the activation of new sites and expansion of existing programs. When all new staff and new programs are fully operational, it is expected that 12,000 additional homeless veterans will be treated. Approximately one fourth of these veterans will be provided contract residential treatment. In FY 2000, VHA also committed an additional \$3 million to establish 11 programs that are dedicated to homeless women veterans. These programs are expected to serve 1,500 homeless women veterans per year, when they are fully operational.

VA's Domiciliary Care for Homeless Veterans (DCHV) Program provides medical care and rehabilitation in a residential setting on VA medical center grounds to eligible ambulatory veterans disabled by medical or psychiatric disorders, injury or age and who do not need hospitalization or nursing home care. There are 1,781 operational beds available through the program at 35 VA medical centers in 26 states. The program provided residential treatment to some 5,500 homeless veterans in FY 2000. The domiciliaries conduct outreach and referral; admission screening and assessment; medical and psychiatric evaluation; treatment, vocational counseling and rehabilitation; and post-discharge community support.

Special Outreach and Benefits Assistance is provided through funding from VA's Veterans Health Administration to support 10 veterans benefits counselors from the Veterans Benefits Administration (VBA) as members of VA's Health Care for Homeless Veterans Program and DCHV programs.

Acquired Property Sales for Homeless Providers Program makes available properties VA obtains through foreclosures on VA-insured mortgages. These properties are offered for sale to homeless provider organizations at a discount of 20 to 50 percent. To date, 173 properties have been sold, and 9 properties are currently leased to nonprofit organizations to provide housing for the homeless.

Drop-In Centers provide homeless veterans who sleep in shelters or on the streets at night with safe, daytime environments. Eleven centers offer therapeutic activities and programs to improve daily living skills, meals, and a place to shower and wash clothes. At these VA-run centers, veterans also participate in other VA programs that provide more extensive assistance, including a variety of therapeutic and rehabilitative activities. Drop-In Center staff also coordinates with other programs to provide veterans with long-term care services.

Compensated Work Therapy (CWT) and CWT/Transitional Residence Programs have had dramatic increases in activity during the past few years. Through its CWT/TR program, VA offers structured therapeutic work opportunities and supervised therapeutic housing for at risk and homeless veterans with physical, psychiatric and substance abuse

disorders. VA contracts with private industry and the public sector for work to be done by these veterans, who learn new job skills, re-learn successful work habits and regain a sense of self-esteem and self-worth. The veterans are paid for their work and, in turn, make a monthly payment toward maintenance and upkeep of the residence.

The CWT/TR program includes 53 community-based group home transitional residences with more than 400 beds. Ten program sites with 18 residences exclusively serve homeless veterans. The average length of stay is approximately six months. There currently are more than 110 individual CWT operations connected to VA medical centers nationwide. Nearly 14,000 veterans participated in the programs in FY 2000. CWT programs developed contracts with companies and agencies of government valued at a national total of \$43.2 million. Increased competitive therapeutic work opportunities are occurring each year. At discharge from the CWT/TR program 42 percent of the veterans were placed in competitive employment and 20 percent were in training programs. VA has committed \$2.3 million to the activation of new CWT programs and other therapeutic work initiatives for homeless veterans. When these programs are fully operational, it is expected that they will be able to serve an additional 1,600 veterans annually.

Intradepartmental programs also support the CWT programs for homeless veterans. VA's National Cemetery Administration and Veterans Health Administration have formed partnerships at 20 national cemeteries, where more than 120 formerly homeless veterans from the CWT program have received therapeutic work opportunities while providing VA cemeteries with a supplemental work force.

HUD-VA Supported Housing (HUD-VASH) Program, a joint program with the Department of Housing and Urban Development (HUD), provides permanent housing and ongoing treatment services to the harder-to-serve homeless mentally ill veterans and those suffering from substance abuse disorders. HUD's Section 8 Voucher Program continues to renew 1,780 vouchers for \$44.5 million, designated over a ten year period, for homeless chronically mentally ill veterans, and VA staff at 35 sites provide outreach, clinical care and case management services. Rigorous evaluation of this program indicates that this approach significantly reduces days of homelessness for veterans who suffer from serious mental illness and substance abuse disorders.

VA's Supported Housing Program is like the HUD-VASH program in that VA staff provides therapeutic support and assistance to help homeless veterans secure low-cost, long-term transitional or permanent housing and provide ongoing clinical case management services to help them remain in housing. It differs from HUD-VASH in that dedicated Section 8 housing vouchers are not available to homeless veterans in the program. As part of VA's clinical case management services, staff work with private landlords, public housing authorities and nonprofit organizations to find therapeutically appropriate housing arrangements. Veterans service organizations have been instrumental in helping VA establish these housing alternatives nationwide. In 2000, VA staff at 26 Supported Housing Program sites helped 1,800 homeless veterans find transitional or permanent housing in the community.

Comprehensive Homeless Centers place a variety of VA's homeless programs into an integrated organizational framework to promote coordination of VA resources and non-VA homeless programs. VA currently has seven comprehensive homeless centers connected to medical centers in Brooklyn, Cleveland, Dallas, Little Rock, Pittsburgh, San Francisco, and Los Angeles.

Stand Downs are 1-3 day safe havens for homeless veterans that provide a variety of services to veterans and opportunity for VA and community-based homeless providers to reach more homeless veterans. Stand downs provide homeless veterans a temporary place of safety and security where they can obtain food, shelter, clothing and a range of community and VA-specific assistance. In many locations, VA provides health screenings, referral and access to long-term treatment, benefits counseling, ID cards and linkage with other programs to meet their immediate needs. VA participated in 179 stand downs run by local coalitions in various cities during CY 2000. Surveys showed that more than 35,000 veterans and family members attended these events. More than 20,000 volunteers contributed to this effort.

VA Excess Property for Homeless Veterans Initiative provides for the distribution of federal excess personal property, such as clothing, footwear, socks, sleeping bags, blankets and other items to homeless veterans through VA domiciliaries and other outreach activities. In less than seven years, this initiative has been responsible for the distribution of more than \$90 million worth of materiel and currently has more than \$6 million in inventory. A CWT program providing a therapeutic work experience for formerly homeless veterans has been established at the VA Medical Center in Lyons campus of the VA New Jersey Health Care System, to receive, warehouse and ship these goods to VA homeless programs across the country.

The Homeless Providers Grant and Per Diem Program is a dynamic component of VA's homeless-specific programs. It provides grants and per diem payments to assist public and nonprofit organizations to establish and operate new supportive housing and service centers for homeless veterans. Grant funds may also be used to assist organizations in purchasing vans to conduct outreach or provide transportation for homeless veterans. Since the first year of funding in FY 94, VA has awarded 243 grants to nonprofit organizations, units of state or local governments and Native American tribes in 44 states and the District of Columbia.

Total VA funding for grants has exceeded \$53 million. When these projects are completed, approximately 5,000 new community-based beds will be available for homeless veterans. Nearly 3,500 unique homeless veterans were cared for through these programs in FY 2000 and their care was supported by VA per diem payments to service providers.

VA announced a new round of grants in April 2001, and has committed \$10 million for the eighth round of funding.

Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) for Veterans is a nationwide initiative. VA medical center and regional office directors work with other federal, state and local agencies and nonprofit organizations. They assess the needs of homeless veterans, develop action plans to meet identified needs, and develop directories that contain local community resources to be used by homeless veterans.

More than 10,000 representatives from non-VA organizations have participated in Project CHALENG initiatives, which include holding conferences at VA medical centers to raise awareness of the needs of homeless veterans, creating new partnerships in the fight against homelessness and developing new strategies for future action.

Loan Guarantee for Multifamily Transitional Housing for Homeless Veterans is currently being implemented as authorized by P. L. 105-368. This program will allow VA to guarantee loans made by lenders to help non-VA organizations develop transitional housing for homeless veterans. VA awarded a contract to Birch and Davis Associates, Inc., and their subcontractors, Century Housing Corporation, to assist with the development of this pilot program. VA plans to guarantee 5 loans in the next two years, with a total of 15 loans guaranteed over the next 4 years. It is hoped that up to 5,000 new transitional beds for homeless veterans will be created through this program.

Mainstream VA Programs Assisting Homeless Veterans

The Veterans Benefits Administration (VBA) administers a number of compensation and pension programs: disability compensation, dependency and indemnity compensation, death compensation, death pension and disability pension. Vocational rehabilitation and counseling assist veterans with service-connected disabilities to achieve independence in daily living and to the extent possible become employable and maintain employment. In the Fiduciary or Guardianship Program, the benefits of veterans who are determined to be incapable of managing their funds are managed by fiduciary.

VBA regional offices at 57 locations have designated staffs who serve as coordinators and points of contact for homeless veterans through outreach activities. In FY 2000, VBA staff assisted over 21,000 homeless veterans and had contacts with over 6,500 community organizations.

The Readjustment Counseling Service's Vet Centers have homeless coordinators who provide outreach, psychological counseling, supportive social services and referrals to other VA and community programs. Each year approximately 140,000 veterans make more than 800,000 visits to VA's 206 Vet Centers. During the winter months, approximately 10 percent of Vet Center clients report being homeless.

A substantial number of homeless veterans are served by VHA's general inpatient and outpatient mental health programs. For the past six years VA's at its Northeast Program Evaluation Center (NEPEC), has conducted an End-of-Year Survey of hospitalized homeless veterans in VA health care facilities. On September 30, 2000, 17,023 veterans

were being treated in acute medical surgical and psychiatric beds, acute substance abuse beds, psychosocial residential rehabilitation and treatment program (PRRTP) beds and domiciliary beds. A total of 4,774 veterans (28 percent) were homeless at admission. Nearly 20 percent were living on the streets or in shelters before admission and 8 percent had no residence and were temporarily residing with family or friends.

A total of 4,148 veterans were being treated in VA mental health beds. Approximately one-third of these veterans were homeless at admission and another 6 percent, while not homeless when admitted, were at high risk for homelessness if discharged on the day of the survey. The following is a break out of the type of mental health bed section veterans occupied:

- 23.7 percent of 2,692 veterans in Acute Psychiatry beds were homeless at admission.
- 41.2 percent of 226 veterans in Acute Substance Abuse beds were homeless at admission.
- 47.3 percent of 1,230 veterans in PRRTP beds were homeless at admission.

VA has also collected information on homeless veterans seen in outpatient mental health programs. In FY 2000, approximately 104,000 veterans were identified as homeless on VA encounter forms. About 50,000 homeless veterans were treated in VA's specialized programs for homeless veterans; the remainder were treated exclusively in general mental health outpatient programs.

Homeless Veterans Program Monitoring and Evaluation

VA has the Nation's most extensive and long-standing program of monitoring and evaluating data concerning homeless individuals and the programs that serve them. In 1987, we initiated a three-fold evaluation strategy for what was then an unprecedented VA community collaborative program – the original HCMI veterans program.

Under this evaluation plan: (1) all veterans evaluated by the program were systematically assessed to assure that program resources were directed to the intended target population (now almost 30,000 under-served homeless veterans per year); (2) housing, employment, and clinical outcomes were documented for all veterans admitted to community-based residential treatment, the most expensive component of the program; and (3) a detailed outcome study documented housing and employment outcomes after program termination was initiated.

The VA study showed 30 percent to 40 percent improvement in psychiatric and substance abuse outcomes, employment rates doubled, and 64 percent exited from homelessness at the time of program completion. When these veterans were re-interviewed 7.2 months after program completion, they showed even GREATER improvement. A similar effort was mounted for the Domiciliary Care for Homeless Veterans program with similar long-term post-treatment results. These data have been published by NEPEC in leading medical journals.

After establishing the effectiveness of these standard programs with extensive follow-up studies, VA developed several enhancements to the core program in several areas. These areas include compensated work therapy (CWT), outreach to assure access to Social Security Administration (SSA) benefits, and a collaborative program with HUD that joins VA case management with HUD section 8 housing vouchers. Outcome studies demonstrated the long-term effectiveness of the CWT/TR program at reducing substance abuse and increasing employment. The Joint VA-SSA outreach effort conducted in New York City, Brooklyn, Dallas, and Los Angeles almost doubled the percentage of SSI awards made to veterans from 7.19 percent to 12.4 percent of the veterans contacted during the outreach effort.

An outcome study showed that, compared to a control group that did not receive benefits, SSA beneficiaries had improved housing and overall satisfaction with life as a result of their receipt of benefits. The outcome of the study also showed no increase in substance abuse, with the exception of tobacco use for SSA recipients. A follow-up study of the HUD-VA supported housing program shows that the benefits of this program, especially housing stability were sustained three years after program entry. This is one of the longest follow-up studies conducted on any homeless population anywhere.

All of our homeless initiatives and programs receive rigorous evaluation. VA uses a consistent set of clinical measures for the Homeless Providers Grant and Per Diem Program as with all other VA homeless veterans programs to assure that valid comparisons can be made. VA performance measures provide consistency in evaluating homeless programs.

In FY 2000, VA expanded its evaluation of homeless veterans programs to more thoroughly determine the effectiveness of these programs. Sec. 904 of the Veterans Millennium Health Care and Benefits Act (P. L. 106-117) requires VA to conduct evaluations of its homeless veterans programs. This is to include measures to show whether veterans for whom housing or employment is secured through one or more of VA's programs continue to be housed or employed after six months. The General Accounting Office (GAO) made a similar recommendation in its April 1999 Report entitled, Homeless Veterans: VA Expands Partnerships, but Homeless Program Effectiveness is Unclear. GAO's single recommendation to VA was to conduct ... "a series of program evaluation studies to clarify the effectiveness of VA's core homeless programs and provide information about how to improve those programs."

Through these ongoing and new program evaluation efforts, we expect to increase our knowledge about the effectiveness of services that are provided to assist homeless veterans. Information will be used to modify and improve our programs for homeless veterans.

Conclusion

VA health care services and other benefits programs form the core elements for the wide range of medical, work therapy, rehabilitation, transitional housing and benefits programs

that VA offers to homeless veterans. With assistance from community-based service providers and veterans service organizations, we are bringing thousands of veterans off the streets and into a continuum of care that offers them the health care and support services they need to resolve their health, housing and vocational problems.

The Department of Veterans Affairs is proud of its past contributions to homeless programs and is committed to enhancing the Nation's understanding of risk factors which contribute to this problem, to work towards reduction of homelessness among veterans and to providing high quality programs for homeless veterans.

Mental Health Research Highlights

Mental Health

- A study targeted to assess two interventions for women veterans with PTSD who have been exposed to a war-related or non-war related traumatic event is being initiated collaboratively between the VA and DoD in 2001. The study will compare an intensive (prolonged) type of group therapy to a standard patient-focused therapy on symptoms of PTSD.
- An ongoing CSP study is using DNA technology to search for genes that may be linked to the development of schizophrenia.
- Two types of therapy for war-related PTSD are being compared in a group treatment setting. One type of therapy (Trauma-Focused) involves a more intensive intervention in which traumatic event are recalled versus standard Group Therapy along with intensive close-monitoring through case management.
- A high-intensity ambulatory care treatment program versus standard usual care for patient with Bipolar Disorder (manic depression) is being evaluated to assess overall reduction in symptoms and treatment costs.
- Two approved treatments (haloperidol and a newer and more expensive drug olanzapine) are being compared to assess the clinical efficacy and cost-effectiveness for schizophrenia.

Substance Abuse

- VA/National Institute on Drug Abuse (NIDA) Collaboration

The VA/NIDA clinical trials collaboration is an agreement between the two agencies to support the development and evaluation of new pharmaceuticals to treat addictive disorders and certain mental illnesses (an area of high priority by the US Congress). This represents areas of research, which are traditionally, underrepresented by the pharmaceutical industry.
- A promising FDA-approved drug (Naltrexone) is being studied to determine the effectiveness in decreasing drinking among alcoholics. All patients in the study will receive standard 12-step therapy with some receiving naltrexone as well.

- Several studies are being conducted to assess the effectiveness of novel treatments for cocaine and opiate dependency and to mediate the effects of opiate withdrawal.
- Polyunsaturated lecithin is being studied to assess the effect on reducing the progression of disease among patients with alcoholic cirrhosis of the liver.

Homelessness

- A multi-year client-level evaluation of the Access to Community Care and Effective Services (ACCESS) is being conducted at 18 sites to determine the effect of community mental health systems integration on housing stability for severely mentally ill veterans.
- The identification of more efficient and cost effective treatment interventions for homeless chronically mentally ill veterans is the focus of a multi-site study that is evaluating the effects of HUD Section 8 housing vouchers and community-based clinical case management.